

SUBCHAPTER H—FEDERAL HOME LOAN BANK LIABILITIES

PART 965—SOURCE OF FUNDS

Sec.

965.1 Definitions.

965.2 Authorized liabilities.

965.3 Liquidity reserves for deposits.

AUTHORITY: 12 U.S.C. 1422a, 1422b, and 1431.

SOURCE: 65 FR 36298, June 7, 2000, unless otherwise noted.

§965.1 Definitions.

As used in this part:

Deposits in banks or trust companies means:

- (1) A deposit in another Bank;
- (2) A demand account in a Federal Reserve Bank;
- (3) A deposit in, or a sale of Federal funds to:
 - (i) An insured depository institution, as defined in section 2(12)(A) of the Act (12 U.S.C. 1422(12)(A)), that is designated by a Bank's board of directors;
 - (ii) A trust company that is a member of the Federal Reserve System or insured by the Federal Deposit Insurance Corporation, and is designated by a Bank's board of directors; or
 - (iii) A U.S. branch or agency of a foreign bank, as defined in the International Banking Act of 1978, as amended (12 U.S.C. 3101 *et seq.*), that is subject to the supervision of the Board of Governors of the Federal Reserve System, and is designated by a Bank's board of directors.

Repurchase agreement means an agreement in which a Bank sells securities and simultaneously agrees to repurchase those securities or similar securities at an agreed upon price, with or without a stated time for repurchase.

§965.2 Authorized liabilities.

As a source of funds for business operations, each Bank is authorized to incur liabilities by:

- (a) Accepting proceeds from the issuance of consolidated obligations issued in accordance with part 966 of this chapter;
- (b) Accepting time or demand deposits from members, other Banks or instrumentalities of the United States, and cash accounts from members or as-

sociates pursuant to §§969.2, 950.24(b)(2)(i)(B), 950.24(d) or 961.4(a)(1), or other institutions for which the Bank is providing correspondent services pursuant to section 11(e) of the Act (12 U.S.C. 1431(e));

(c) Purchasing Federal funds; and

(d) Entering into repurchase agreements.

§965.3 Liquidity reserves for deposits.

Each Bank shall at all times have at least an amount equal to the current deposits received from its members invested in:

- (a) Obligations of the United States;
- (b) Deposits in banks or trust companies; or
- (c) Advances with a maturity of not to exceed five years that are made to members in conformity with part 950 of this chapter.

PART 966—CONSOLIDATED OBLIGATIONS

Sec.

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966.10 Savings clause.

AUTHORITY: 12 U.S.C. 1422a, 1422b, and 1431.

SOURCE: 65 FR 36298, June 7, 2000, unless otherwise noted.

§966.1 Definitions.

For purposes of this part:

Financial Management Policy (FMP) has the meaning set forth in §956.1 of this chapter.

[65 FR 36298, June 7, 2000, as amended at 65 FR 43986, July 17, 2000]